Attachment D3

OUTLINE OF CITY'S COMMENTS ON THE QUESTIONS/ PERMITTING OPTIONS PROPOSED BY VDEQ

Summary of City Comments

- The City supports the issuance of a permit over the issuance of a consent order.
- The interim permit should take effect no later than July 1, 2007 and must be for a short duration.
- During June 2007, while line upgrades are occurring, the City understands the need for flexibility in plant's operations under the DOE's order. Once line upgrades are completed, no accommodation is needed for operations that are not NAAQS compliant.
- The proposed permit options (**Option 1, 2 and 3**) are supportable as interim permits upon resolution of City's comments provided below, with the understanding that a comprehensive permit will be issued soon.
- Starting July 1, 2007, **Option 1** permit is supportable if:
  - It is limited in duration to no more than three months, i.e., until September 30, 2007.
  - The plant is operated only under one of the specifically listed scenarios, and the scenarios reflect a complete set of modeling runs using standard procedures.
  - At all times, regardless of load or the number of boilers operating, the use of pollution controls is optimized to achieve sustainable maximum pollutant reductions.
- Starting October 1, 2007, stringent emission limits must be specified that comply with NAAQS under all conditions and apply at all times regardless of level of operation. Limits must be specified in a format (lb/MMBtu, tons/year, and lb/hr) specified under **Option 2** or **Option 3** permit.
- A comprehensive SOP should be issued as soon as possible that limits emissions of all criteria and toxic air pollutants that are shown via modeling to be protective of all NAAQS, including PM2.5 and SAAC under all weather conditions and operational scenarios.
- Intermittent controls based on predictive modeling and ambient monitoring are prohibited. They should not be allowed in any permit or consent order.
- The stack merger as proposed by Mirant is a prohibited dispersion technique, under State and Federal regulations.

Question: Are intermittent controls allowed as part of the permit and if not, are they allowed during a phase-in period or in a consent order?

- The use of intermittent controls that vary the rate of emissions based on atmospheric conditions or ambient pollutant concentrations is a prohibited dispersion technique under federal and state regulations. 40 CFR 51.100(nn), 40 CFR 51.100(hh)(1)(ii), and 9 VAC 5-10-20.
- Intermittent controls are prohibited regardless of whether a source is operating under a phase-in permit, a long term permit or a consent order.
- Any permit or consent order issued to Mirant PRGS cannot and should not allow the use of intermittent controls to show compliance with NAAQS.

Question: Is the proposed stack-merge project prohibited under federal or state law as a prohibited dispersion technique?

- The stack merger, as proposed by Mirant, is a prohibited dispersion technique under federal and state regulations. 40 CFR 51.100(hh)(1)(iii) and 9 VAC 5-10-20. City is primarily against Mirant taking dispersion credits prohibited by federal law which would result in increased net emissions from this plant.

- Mirant has not proposed to install any pollution controls to reduce emissions as a part of the stack merger project. City strongly believes that trona has never been an integral part of stack merge project, and Mirant's claim in this respect does not meet regulatory criteria.

- Without pollution controls that are an integral part of the stack merger project, Mirant cannot claim dispersion credit for stack merger. No emission increases should be allowed that are based on the prohibited dispersion credit for stack merger.

Permit Option 1

- Option 1 permit is supportable because it does not allow predictive modeling and/or ambient monitoring to be used for intermittent controls.

- Option 1 permit specifies too many operating scenarios and is too cumbersome to allow adequate monitoring of operations and compliance. Therefore, this should only be a short term option.

- Option 1 permit only addresses SO_2 emissions and therefore it should be a short term option. A comprehensive permit must be issued as soon as possible that addresses all criteria and toxic air pollutants, including PM2.5.

- If Option 1 is selected, all pollution control measures must be required to operate in a manner that maximizes emission reductions regardless of the level of operations.

- The modeling analysis supporting Option 1, and the corresponding SO_2 emission limits, must be updated to follow standard modeling guidelines. Any deviation from the standard guidelines, including the use of non-standard downwash procedures, must be technically justified and approved by Virginia DEQ.

Permit Options 2 and 3

- The proposed permit options 2 and 3 are supportable as interim permits upon resolution of City's comments provided below, with the understanding that a comprehensive permit will be issued soon.

- The proposed options (2 and 3) use predictive modeling and ambient monitoring in combination with specified emission limits. Modeling conducted by the City shows SO_2 NAAQS violations at these emission limits.

- More stringent emission limits, or reduced capacity factors, are required to show SO_2 NAAQS compliance. NAAQS compliance must be based on a complete analysis using EPA modeling guidelines. Any deviation from the standard guidelines, including the use of non-standard downwash procedures, must be technically justified and approved by Virginia DEQ.

- The City supports emission limits be specified in a format (lb/MMBtu, tons/year, and lb/hr) specified under **Option 2** or **Option 3** permit.

- Options 2 and 3 propose the use of predictive modeling. This is prohibited under federal and state regulations and should not be allowed.

- Options 2 and 3 propose the use of ambient monitoring to vary emissions. The number of ambient monitors required is inadequate to assess NAAQS compliance. Also, such use of ambient monitoring is prohibited under federal and state regulations and should not be allowed.